

FLOOD MITIGATION PROGRAM CHANGES

Prior Law

The Code limited the amount of revenue accruing to the sales tax increment fund, or to accounts within the fund to the lesser of \$30 million or the amount necessary to fulfill the purposes of the program. Any excess monies were required to be credited to the general fund of the state.

In general, government entities could only receive remittances of sales tax increment revenue through the program for 20 years, beginning on the date that the Flood Mitigation Board approved the project. However, entities could receive remittances after the expiration of the 20-year period if those amounts were sales tax increment revenue that was collected from sales that occurred before the expiration of the 20-year period.

New Provisions

The limit on the amount of revenue accruing to the fund, or to accounts within the fund is still the lesser of \$30 million or the amount necessary to fulfill the purposes of the program. However, the Code now specifies that the limit applies *for a fiscal year*.

Government entities participating in the program may apply to the Board for an extension of the 20-year period in which the government entity may receive funds through the program. Applications for extension must be submitted to the Board before the 20-year period expires. The Board may approve applications for an additional period of consecutive years following the end of the 20-year period if the applicant meets the following criteria:

- The amount of funding the applicant received through the program during the 20-year period was less than the amount the applicant was approved to receive.
- The amount the applicant will receive in each additional year approved by the Board does not exceed \$15 million or 70% of the increased sales tax revenue for the area that is used to fund the program for that year, whichever is less.
- The total amount received by all government entities approved for the program will not exceed \$30 million in any fiscal year.
- The total amount that the applicant will receive during the extension period does not exceed the difference between the amount the applicant actually received during the 20-year period (before the extension) and the total amount the applicant was approved to receive.

Sections Amended

Section 16 of 2016 Iowa Acts House File 2459 amends Section 418.12, Code 2016. Section 36 of House File 2459 amends Section 418.15, Code 2016.

Effective Date_____

July 1, 2016